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RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
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RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY
RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
INFO RUEHFK/AMCONSUL FUKUOKA 1742
RUEHOK/AMCONSUL OSAKA KOBE 5317
RUEHBJ/AMEMBASSY BEIJING 7602
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STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR,
EAP/J, EAP/P, PM;
USTR FOR PUBLIC AFFAIRS OFFICE;
TREASURY FOR OASIA/IMI;
SECDEF FOR OASD/PA;
CP BUTLER OKINAWA FOR AREA FIELD OFFICE;
PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

E.O. 12958: N/A

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SUBJECT: TOKYO MEDIA REACTION - HAMAS-FATAH CLASHES

11. LEAD STORIES: Most Tuesday morning papers front-paged the growing likelihood that the Tokyo headquarters of the pro-Pyongyang General Association of Korean Residents in Japan (Chongryon) will be auctioned off by the GOJ-backed Resolution and Collection Corporation (RCC).

12. "Palestinian Chaos: Risk of Divided Rule" An editorial in the top-circulation, moderate Yomiuri commented (6/26): "We cannot help but describe the situation in the Palestinian areas as pitiful. Divided rule by the rival Hamas and Fatah groups appears to be taking root, making the ultimate goal of Middle East peace through Palestinian co-existence with Israel far more distant.... Palestinian President Abbas fired pro-Hamas Prime Minister Haniya and launched a crisis cabinet.... The US and EU not only clarified support for Abbas but also pledged a resumption of financial assistance to the Palestinian Authority (PA). Israel, meanwhile, decided to return to the PA some of the taxes it had collected in its place. This is good news for the Palestinian people, most of whom face dire economic circumstances. As things stand, however, this financial support will only help people in the West Bank and will not ease the plight of those in the Gaza Strip, where a sense of desperation could provide a breeding ground for radicals.... Efforts should be made to head off divided rule and mediate between Hamas and Fatah. Expectations are riding on assistance from major Arab nations like Saudi Arabia and Egypt, both of which played key roles in the formation of a Palestinian unity government in March."

SCHIEFFER